



Sa Sa Announces Unaudited Sales Update for the Third Quarter (October to December 2023) of FY2023/24

HK\$ Million	Turnover			YoY change%	% of Group turnover	Same store sales YoY change %*	F19 Offline Sales recovery %#
	Offline	Online	Total				
Hong Kong & Macau SARs	831.0	58.4	889.4	+39.4%	75.2%	+43.7%	46.9%
Mainland China	41.0	146.1	187.1	+49.3%	15.8%	-0.9%	61.1%
Southeast Asia	78.6	24.1	102.7	+2.9%	8.7%	+4.6%^	92.7%^
Others	-	3.0	3.0	+78.1%	0.3%	-	-
Total	950.6	231.6	1,182.2	+36.7%	100.0%	-	49.0%

* % calculated in local currency

Offline retail sales and wholesales ("Offline Sales")

^ Refer to Malaysia only

(10 January 2024 - HONG KONG) - **Sa Sa International Holdings Limited** (the "Company", stock code: 0178) announced today the unaudited sales update of the Company and its subsidiaries (the "Group") for the third quarter from 1 October to 31 December 2023.

For the third quarter from 1 October to 31 December 2023 ("the period"), the Group's turnover increased by 36.7% year on year to HK\$1,182.2 million. Within this, the Group's Offline Sales increased by 35.7% to HK\$950.6 million, while the Group's online sales increased by 41.2% to HK\$231.6 million. The Group's online sales for the period represented 19.6% of the Group's total turnover. Compared with the financial year ended 31 March 2019 before the Covid-19 pandemic ("pre-pandemic period"), the Group's Offline Sales has recovered to 49.0% of pre-pandemic period.

Hong Kong & Macau SARs

Offline Sales	
Three months ended 31 December 2023	YoY% change
Total Offline Sales	+44.3%
Same store sales	+43.7%
Average sales per transaction	+19.2%
Total no. of transactions	+26.3%

The Group's total online and Offline Sales in the Hong Kong and Macau SARs increased by 39.4% to HK\$889.4 million year on year. The decrease in growth rate compared with the first half of this financial year was because of a high comparison base in the third quarter of the last financial year when the boundary between the Macau SAR and Mainland China had already reopened and the second phase of the Consumption Voucher Scheme was launched in the Hong Kong SAR. The core period was also challenged as we saw traveler departures from the Hong Kong SAR was more than visitor arrivals in the Hong Kong SAR.

For the period, Offline Sales grew by 44.3% year on year while same-store sales increased by 43.7%. Sales has recovered to 46.9% of pre-pandemic period despite the fact that the number of stores operated by the Group in the Hong Kong and Macau SARs decreased by 36 or 30.5% to 82 stores as at 31 December 2023. Tourists as a percentage in the sales mix was 46.9% versus approximately 74% during the pre-pandemic period.

In the Hong Kong SAR, the Group is actively looking at gaps in non-tourist areas to better serve local consumers and also at prime tourist locations that supplement our existing coverage. Two new stores were opened in Central and Wong Chuk Hang districts during the quarter, taking our total stores in the Hong Kong SAR to 73. This Christmas was the first since boundaries fully reopened following the end of the pandemic and the Hong Kong SAR Government supported campaigns to attract tourists and boost local consumption. Offline Sales in the Hong Kong SAR for the quarter rose 40.3% year on year, reaching 43.1% of pre-pandemic levels. Same-store sales increased by 38.4%.

During the period, the Group's Offline Sales in the Macau SAR recorded a year on year growth of 57.4%, recovering to 62.8% of pre-pandemic levels while same-store sales grew by 57.6% year on year.

Leveraging the Group's offline store network and unique team of professional beauty consultants to deliver online-merge-offline ("OMO") seamless experience, we have continued to grow our VIP membership.

Online sales in the Hong Kong and Macau SARs amounted to HK\$58.4 million, or approximately 6.6% of total sales, which is in line with market norms. The year on year decrease of 5.6% in online sales reflects a marginal swing to Offline Sales following the removal of Covid-19 related social distancing measures.

Mainland China

During the period, the Group's turnover in Mainland China was HK\$187.1 million, representing a 49.3% increase compared to the same period last year, with online sales playing a prominent role and accounted for 78.1% of the Group's total sales in this region. The growth momentum in online sales has continued from the second quarter and saw a 80.2% year on year growth to HK\$146.1 million. While operating five or 13.2% fewer stores compared to the same period last year, Offline Sales decreased by 6.9% (measured in local currency) to HK\$41.0 million.

The Group will continue to leverage the WeChat Mini-programme to connect Sa Sa's beauty consultants with customers in Mainland China. With the return of and gradual increase in Mainland tourists visiting the Hong Kong and Macau SARs, the Group is seeking to connect with these customers after they return to Mainland China to enable them to shop and purchase online.

Southeast Asia

The Group recorded total turnover of HK\$102.7 million in Southeast Asia, marking a year on year growth of 2.9% compared to the same period last year. Within this, Offline Sales contributed HK\$78.6 million or 76.6% of the total sales. Affected by the cost-of-living crisis hitting Malaysia, the Group's Offline Sales in Malaysia for the period declined marginally by 0.4% year on year while same-store sales continued to improve and increased by 4.6% (measured in local currency). The Group is delivering 92.7% of pre-pandemic Offline Sales despite operating 11 fewer stores, with a total of 70 stores as at 31 December 2023. During the period, the Group is pleased to have re-established a physical presence in Singapore by opening our first outlet in December, with more stores in the pipeline for 2024. This is complementing our existing online business setting the foundations for our continued growth in Southeast Asia. Online sales in Southeast Asia for the period grew by 24.3% and accounted for 23.4% of total sales in this market.

Number of Retail Stores by Market

	As at 31 December 2023	As at 30 September 2023	As at 31 December 2022
Hong Kong and Macau SARs	82	81	80
Mainland China	33	35	38
Southeast Asia	70	68	71
Total	185	184	189

The Group's store portfolio changes from time-to-time as leases are due for renewal and re-located in accordance with the Group's overall expansion plans.

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